



California Fair Political Practices Commission

July 31, 1986

Ms. Eunice McTyre
Secretary, Taxpayers Watchdog, Inc.
14422 Victory Boulevard
Van Nuys, CA 91401

Re: FPPC Advice No. A 86-219

Dear Ms. McTyre:

Thank you for your letter of July 1, 1986, requesting confirmation of our telephone conversation and the facts as presented in your letter.

FACTS

Taxpayers Watchdog is a recipient committee which was formed to support state and local ballot measure efforts. Currently, Taxpayers Watchdog (TW) is actively soliciting funds, some of which will be earmarked contributions for another recipient committee which is primarily formed for a qualification effort which will place restrictions on the current Los Angeles public employee pension system.

QUESTION

You have asked how to report the expenditures made by TW for a mailing TW intends to send on behalf of the qualification committee formed to support the effort mentioned above; and also, how to report earmarked funds received by TW on behalf of the qualification committee.

ANSWER

I advised you that the expenditures made by TW for the mailing constitute a non-monetary contribution and must be reported by the qualification committee. In addition, TW must report the expenditures made in connection with the mailing on Schedule E and the Allocation Section of its Form 420, Recipient Committee Campaign Statement-Long Form. I also indicated that the qualification committee, not TW, must be identified as the sender of the mailing.

Ms. Eunice McTyre
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TW must keep detailed records of persons or organizations contributing \$25 or more in contributions for the purpose of itemizing contributors of \$100 or more. This information must be provided to the treasurer of the qualification committee.

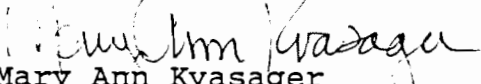
TW will report the earmarked contributions it receives on behalf of the qualification committee on Schedule G, Miscellaneous Adjustments to Cash Position, as an increase to cash, not on Schedule A, Monetary Contributions Received. When the contributions are transferred from TW's account to the qualification committee, report the total amount as a decrease to cash on Schedule G, not as an expenditure on Schedule E.

Please note that campaign disclosure statements are not filed with the Fair Political Practices Commission. State general purpose recipient committees file campaign statements with the following filing officers: Original and one copy with the Secretary of State; two copies each with the Registrar-Recorder of Los Angeles County, the Registrar of Voters, City and County of San Francisco and the clerk of the filer's county of domicile. The addresses for these filing officers appear in Part III of the "Information Manual on Campaign Disclosure Provisions of the Political Reform Act," a copy of which is enclosed for your use.

You should contact the Franchise Tax Board at 800/852-5711 for clarification concerning your non-profit status.

Please do not hesitate to contact me if you need additional assistance. The telephone number for the Technical Assistance and Analysis Division is (916) 322-5662 and you may call collect.

Sincerely,


Mary Ann Kvasager
Political Reform Consultant

MAK:ch
Enclosure

Taxpayers Watchdog, Inc.

14422 Victory Blvd., Van Nuys, Ca. • (818) 785-6578

Ca. ID # 0886814

Fed. # 95-58517892

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Fair Political Practices Commission
428 J Street
Sacramento, Ca 95814

To Whom It May Concern:

I have been in touch with Ms Mary Ann Kvasager of your Sacramento office. She has advised me to write to you, explaining what our organization is planning. After you have reviewed the explanation would you please send me a confirming letter okaying our plans?

Taxpayers Watchdog, Inc. (TW) is a continuing committee, ID # 0886814 and has been in existence since 1978. We are classified as a State General Purpose committee since we work only on issues and do not support or endorse candidates. We are non-profit, incorporated, and have a low postage permit for mailing purposes.

TW is proposing to raise "earmarked money" for a proposed committee to be formed by L.A. City Councilman Ernani Bernardi which would circulate a petition to place an initiative on the April 1987 city ballot to place restrictions on the current Los Angeles Public Employee pension system. TW would mail a fundraising letter soliciting contributions for that purpose. Those funds would be earmarked for the initiative costs. We intend to use a TW mailing envelope with the name of the initiative committee printed somewhere on the envelope's face.

It is my understanding, from Ms Kvasager, that when we file with the FTFC, we would list the funds we raise as "non-monetary contributions" raised in behalf of the initiative.

If you need additional information or explanation, please contact me at my business office, (818) 700-8845. We are most anxious to be in total compliance with the regulations as we do not wish to jeopardize our non-profit, incorporated position.

Sincerely,

Eunice McTyre
Secretary, TW

cc: Cm. E. Bernardi